

**EXHIBIT B**

**TERM SHEET**

*This is an indicative term sheet and it does not constitute an offer or commitment to arrange or underwrite any financing and does not create any legally binding obligation on Lehman Brothers Holdings Inc. or any of its affiliates ("LBHI"). The terms herein are subject to LBHI obtaining credit committee approval, chapter 11 bankruptcy court approval, and the completion of due diligence, and subject to documentation.*

**Terms of the acquisition of the Sun & Moon Debt from Bankhaus**

Acquisition Co	LB Europe Holdings Sarl, currently 100% owned by LBREP III Europe S.a.r.l SICAR ("LBREP"). LBREP to set up LBREP New Secco to hold its stake in LB Europe Holdings S.a.r.l. LCPI to buy 37.5% stake in LB Europe Holdings Sarl immediately before the acquisition of the Sun & Moon debt.
Proposed ownership of Acquisition Co	62.5% by LBREP New Secco and 37.5% by LCPI;
<b>Acquisition price</b>	<b>As agreed in the Bankhaus settlement agreement</b>
Transaction costs	LBREP New Secco and LCPI will share all reasonable costs directly related to the structuring and documentation of the acquisition pro rata to their relative percentages in the Acquisition Co
Acquisition Facility	Drawn principal balance acquired from Bankhaus (the purchase price for which will be funded 62.5% LBREP New Secco and 37.5% LCPI through capital contributions to Acquisition Co)
Capex Facility	Any drawdowns under Loan r and Loan R2 other than the Acquisition Facility.
Funding of the Capex Facility	<ol style="list-style-type: none"> <li>1. The Capex Facility shall be funded by Acquisition Co using the proceeds from the Refurb Revolver. The Acquisition Co's shareholders shall procure that Acquisition Co enters into the Refurb Revolver agreement.</li> <li>2. In case the Refurb Revolver Lender fails to fund the Refurb Revolver, Acquisition Co's partners shall fund capital contribution to Acquisition Co prorata to their equity investment.</li> <li>3. In case a partner fails to fund its capital contribution to Acquisition Co, the non-defaulting partner will have the right to fund the capital contribution of such defaulting partner. That additional capital contribution ("Default</li> </ol>

	<b>Contribution</b> ) will yield a 15% annual return (fully compounded) in preference to all monies due to the defaulted party.
<b>Governance Loan r and Loan R2</b>	
Loan operation	<p>Loan R2 and Loan r will become fully operational as documented and governed by the relevant Loan r and Loan R2 documentation, as amended from time to time through Waivers</p> <p>Acquisition Co (through each of its partners) will waive all historical defaults under the respective loan documentation and will respect the waivers entered into by LBB and those to be agreed upon, as mentioned in this term sheet under Waivers</p>
Loan Agent and Security Agent	Agency role to be transferred in accordance with the provisions of Loan r and Loan R2 (i.e., through a decision of the majority of lenders), it being specified that Acquisition Co will request the appointment of a party chosen by LCPI. LCPI's choice to meet KBC's reasonable satisfaction, if required. LCPI, on behalf of Acquisition Co, shall retain the sole right to replace the agent.
Agency Fee	25 bps per annum. Payable monthly on 88.2% of the outstanding balances of Loan R2 and Loan r + fee on KBC share as may be agreed.
Interest	Interest to be payable by the r and R2 borrowers to Acquisition Co on the r and R2 loans at 2.5% fixed rate plus margin of 1.7% (margin as per r and R2 loan agreements).
Voting	Adherence to current intercreditor between LBB and KBC.
<b>Governance Acquisition co</b>	
For any decisions to be taken by Acquisition Co through a decision of the majority lenders under Loan r and/or Loan R2, LCPI and LBREP New Secco agree to vote as follows:	
Business plan approval	LBREP New Secco + LCPI approval; New business plan to be approved. Budgets to be approved annually.
Changes to the BP < 5% of costs or sales (costs and sales to be	LBREP New Secco approval

calculated on a block by block basis)	
Changes to the BP >5% of costs or sales (costs and sales to be calculated on a block by block basis)	LBREP New Secco + LCPI approval
Funding approvals	LBREP New Secco + LCPI approval
Enforcement of security on Event of Default under r and/or R2 Loan documentation	LBREP New Secco + LCPI approval
Agreed Waivers	<p>1. Waivers ("Thin cap" and "Block 21") as in place under Loan r and Loan R2 documentation and attached hereto will be honoured by Loan Agent and Acquisition Co.</p> <p>2. Acquisition Co will vote in favour of all waiver requests made in the past to LBB, named Default waiver and OPCI waiver dated respectively 23 July 2009 and 2 March 2009 and attached hereto, which LCPI and LBREP New Secco hereby consent</p> <p>3. Acquisition Co will agree to waive any historical defaults under the loan documentation, which LCPI and LBREP New Secco hereby consent</p> <p>4. Acquisition Co's position with regards to all other waivers and loan amendments outside Loan Agent's discretion will need LCPI approval and, in the event there is no default under the Refurb Revolver loan, LBREP's approval.</p>
Any syndication, sale or further leveraging of the debt	<p>LBREP New Secco + LCPI approval; subject to exceptions for sale/transfer to affiliate and in connection with LCPI emergence from bankruptcy</p> <p>No sale of debt without unanimous consent and right of first refusal to other party (subject to exceptions stated above)</p>
Tag Along	Each LBREP New Secco and LCPI shall be entitled to tag along rights.
Accounts	All monies received by Acquisition Co to flow to each shareholder and lender in a timely manner according to the Waterfall with no netting of commitments. All inflows and outflows from / to the r and R2 borrowers to be pooled in the Acquisition Co for the purposes of the Waterfall.
Waterfall	<ul style="list-style-type: none"> <li>- in or towards any essential operating costs of Acquisition Co, including the Agency Fee</li> <li>- in or towards any unpaid costs and expenses due and owing by Acquisition Co to the</li> </ul>

	<p>Refurb Revolver Lender and the Term Loan Lender under the Refurb Revolver and Term Loan documents;</p> <ul style="list-style-type: none"> <li>– in or towards payment of interest, fees or commissions due but unpaid to the Refurb Revolver Lender and the Term Loan Lender;</li> <li>– in or towards repayment of any outstanding balance on the Refurb Revolver and the Term Loan;</li> <li>– in or towards payment of interest due on any Default Contribution;</li> <li>– in or towards repayment of any outstanding balance of Default Contributions;</li> <li>– remainder to be split between the shareholders of Acquisition Co, pro rata to ownership to repay PECs etc.<sup>1</sup></li> </ul>
<b>Admin fees</b>	LBREP to manage administration of LB Europe Holdings S.a.r.l for a market rate admin fee of €17,500 (borne LBREP 62.5%, LCPI 37.5%). Scope of services to be agreed but to include domiciliation, tax and audit reporting coordination and bank account management.
<b>Shareholder events</b>	
Outright sale by one of the shareholders of stake in Acquisition Co directly or indirectly to a third party	First right of refusal on same terms and conditions for other shareholder (subject to exceptions for sale/transfer to affiliate and in connection with LCPI emergence from bankruptcy)
<b>Dispute resolution</b>	<p>Dispute resolution procedures and proper law of the joint venture will be agreed between LCPI and LBREP New Secco prior to closing</p> <p>Debt disputes: France (proper law)</p> <p>Equity dispute: Luxembourg (proper law)</p> <p>Courts of proper law jurisdiction unless both parties agree to commercial arbitration (1 judge panel)</p>
<b>Conditions precedent</b>	<ul style="list-style-type: none"> <li>– LBHI internal credit approval</li> <li>– LBHI board approval</li> <li>– Relevant approvals from LBREP III Investor Advisory Committee</li> <li>– Relevant approvals from LCPI Official Unsecured Creditor Committee</li> </ul>

<sup>1</sup> Subject to LUX tax advice

	<ul style="list-style-type: none"> <li>- Completion of final documentation of the acquisition</li> <li>- Tax &amp; Structure Memoranda from Atoz / Baker McKenzie</li> </ul>
<b>Other</b>	
Sale of KBC's share in Loan r and Loan R2	If KBC offers to sell its 12% participation in the Loan r and Loan R2 to LBREP or LCPI or any of their affiliates, LBREP and LCPI will procure that the Acquisition Co is given the opportunity to buy such 12% participation. LCPI and LBREP will then have the right to fund such acquisition (62.5% LBREP, 37.5% LCPI).

#### Terms of Hedging Loan

Borrowers	CdR and RdR
Lender	Acquisition Co
Initial Loan Amount	The minimum of the cost of terminating the hedging in place with LBSF which will require the consent of LBHI and LBREP III or €8.0m.
Term	<p>To match the Final Repayment Date defined in the Sun &amp; Moon loan documents and to be repaid at the same time.</p> <p>For the avoidance of doubt: 1) there is no obligation to extend the loan if an event of default exists, and 2) any waiver of any event of default under the Sun &amp; Moon mortgage loan documents for the purpose of allowing the borrowers to request an extension of the maturity date will require the consent of both partners of Acquisition Co (except for the Waivers already requested and accepted (as above)).</p>
Subordination	<p>LBREP / LBHI will undergo reasonable endeavours to persuade KBC to allow the Hedging Loan to be senior to Loan r and Loan R2</p> <p>If not possible LBREP / LBHI will undergo reasonable endeavours to persuade KBC to allow the Hedging Loan to be pari passu to Loan r and Loan R2</p>
Amortisation	Immediate 100% cash sweep of all cash available at the level of the Borrowers taking into account the subordination above.
Coupon	7.5% annual compounded.
Arrangement Fee	25 bps

PIK:	The interest on the loan can accrue
Interest Payment Dates	Monthly
Security:	Market standard for a loan of this type including but not limited to a contract signed by the direct and indirect shareholders of the borrowers up to LBREP III Sun and Moon Sarl confirming that all equity and preferred equity (in whatever form including but not limited to PECs) are 100% subordinated to the Hedging Loan.
Reps and Warranties	Usual and market for a loan of this type (including those of the Sun & Moon loan documents)
Events of Default	To match Sun & Moon loan documents
Failure to fund	<ol style="list-style-type: none"><li>1. The Hedging Loan shall be funded by Acquisition Co using the proceeds from the Term Loan. The Acquisition Co's shareholders shall procure that Acquisition Co enters into the Term Loan agreement.</li><li>2. In case the Term Loan Lender fails to fund the Term Loan, Acquisition Co's partners shall fund capital contribution to Acquisition Co prorata to their equity investment.</li><li>3. In case a partner fails to fund its capital contribution to Acquisition Co, the non-defaulting partner will have the right to fund the capital contribution of such defaulting partner. That additional capital contribution ("Default Contribution") will yield a 15% annual return (fully compounded) in preference to all monies</li></ol>



**Terms of Refurb Revolver**

Borrower	Acquisition Co
Refurb Revolver Lender	LCPI
Initial Loan Amount	€0
Capped Level	At any one time no more than €17,500,000
Aggregate Capped Level	Over the term of the loan the drawings on the Refurb Revolver cannot exceed €47,428,000
Drawings	Acquisition Co's funding(s) in respect of Capex Facility, up to the Aggregate Capped Level, provided the outstanding balance never exceeds the Capped Level.
Term	3 March 2012, a one year extension is available subject to (1) no events of default and (2) extension of the mortgage loans.
Cash sweep	Immediate 100% cash sweep of all cash available at the level of the Borrower, until all fees, interest and principal is repaid.  For the avoidance of doubt the Refurb Revolver and the Term Loan are pari passu.
Coupon	7.5% annual paid cash to the extent possible (through cash sweep mechanism) or otherwise compounded.
Interest Payment Dates	Monthly
Arrangement Fee	25 bps (payable upfront and calculated on the Capped Level)
Commitment Fee:	15bps per annum. Payable monthly on the Undrawn Commitment
Undrawn Commitment	Min of the Capped Level and the remaining Aggregate Capped Level, minus any outstanding balance at the beginning of the interest period.
Security & guarantee:	LBREP's New Secco's will grant a third party pledge over its investment (shares, securities, interco loan etc.) in the Borrower  Borrower will grant: <ul style="list-style-type: none"> <li>- a pledge over all its bank accounts; and</li> <li>- a pledge over its receivables under its participation in the Sun &amp; Moon mortgage loans.</li> </ul>
Reps and Warranties	Usual and market for a loan of this type
Accounts	All monies received by the Borrower to flow to a pledged account which the Refurb Revolver Lender and Term Loan Lender will have joint signing rights up until the loans are repaid in full and there are no more future commitments. Waterfall to be applied in line with above.



Allocation of proceeds to the Refurb Lender and the Term Loan Lender	<ul style="list-style-type: none"> <li>– any monies paid towards unpaid costs and expenses due and owing by Acquisition Co to the Refurb Revolver Lender and the Term Loan Lender, are to be split between Refurb Revolver Lender and the Term Loan Lender pro rata to the total unpaid costs and expenses due and owing by Acquisition Co to each lender.</li> <li>– Any monies paid toward interest, fees or commissions due but unpaid to the Refurb Revolver Lender and the Term Loan Lender to be split pro rata to the interest fees or commissions due but unpaid to each lender;</li> <li>– Any monies paid towards repayment of any outstanding balance on the Refurb Revolver and the Term Loan to be split pro rata to the outstanding balances of the Refurb Revolver and Term Loan the day before;</li> </ul>
Netting	For the avoidance of doubt all monies received by the Borrower is to flow to the pledged account with no netting of commitments. Netting to be allowed if Refurb Revolver Lender fails to fund required drawings in relation to this loan.
Change of control	Any change of control or ownership (excluding transfers to affiliates) of the Borrower will lead to a mandatory repayment of this loan.
Conditions precedent	<ul style="list-style-type: none"> <li>– LBHI internal credit approval</li> <li>– LBHI board approval</li> <li>– LBREP IAC approval</li> <li>– Relevant approvals from LCPI Credit Committees and chapter 11 court approval</li> <li>– Completion of final documentation of the Acquisition</li> <li>– Tax &amp; Structure Memoranda from Atoz / Baker McKenzie</li> </ul>
Events of Default	<p>To include but not limited to:</p> <ul style="list-style-type: none"> <li>– Non Payment</li> <li>– Breach of undertaking, representations and warranties;</li> <li>– event of default under senior loan;</li> <li>– Any material adverse change in respect of the Borrower;</li> <li>– Insolvency;</li> </ul>

	<ul style="list-style-type: none"> <li>- Non payment of statutory tax;</li> <li>- Illegality; and</li> <li>- Cross-default on the Sun &amp; Moon mortgage loan documents</li> </ul>
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### Terms of Term Loan

Borrower	Acquisition Co
Term Loan Lender	LCPI
Initial Loan Amount	The minimum of the cost of terminating the hedging in place with LBSF or €8.0m.
Drawings	Acquisition Co's funding(s) in respect of Hedging Loan
Term	3 March 2012
Cash sweep	<p>Immediate 100% cash sweep of all cash available at the level of the Borrower, until all fees, interest and principal is repaid.</p> <p>For the avoidance of doubt the Refurb Revolver and the Term Loan are pari passu.</p>
Coupon	7.5% annual paid cash to the extent possible (through cash sweep mechanism) or otherwise compounded.
Interest Payment Dates	Monthly
Arrangement Fee	25 bps (payable upfront)
Security & guarantee:	<p>LBREP's New Secco's will grant a third party pledge over its investment (shares, securities, interco loan etc.) in the Borrower</p> <p>Borrower will grant:</p> <ul style="list-style-type: none"> <li>- a pledge over all its bank accounts; and</li> <li>- a pledge over its receivables under its participation in the Sun &amp; Moon mortgage loans.</li> </ul>
Reps and Warranties	Usual and market for a loan of this type
Accounts	All monies received by the Borrower to flow to a pledged account which the Refurb Revolver Lender and Term Loan Lender will have joint signing rights up until the loans are repaid in full and there are no more future commitments
Allocation of proceeds to the Refurb Lender and the Term Loan Lender	see "Allocation of proceeds to the Refurb Lender and the Term Lender" in TS re: Refurb Revolver
Netting	For the avoidance of doubt all monies received by the Borrower is to flow to the pledged account with no netting of commitments. Netting to be allowed if Term Loan Lender fails to fund required drawings in relation to this loan.
Change of control	Any change of control or ownership (excluding transfers to affiliates) of the Borrower will lead to a mandatory repayment of this loan.

Conditions precedent	<ul style="list-style-type: none"><li>- LBHI internal credit approval</li><li>- LBHI board approval</li><li>- LBREP IAC approval</li><li>- Relevant approvals from LCPI Credit Committees and chapter 11 court approval</li><li>- Completion of final documentation of the Acquisition</li><li>- Tax &amp; Structure Memoranda from Atoz / Baker McKenzie</li></ul>
Events of Default	<p>To include but not limited to:</p> <ul style="list-style-type: none"><li>- Non Payment</li><li>- Breach of undertaking, representations and warranties;</li><li>- event of default under senior loan;</li><li>- Any material adverse change in respect of the Borrower;</li><li>- Insolvency;</li><li>- Non payment of statutory tax;</li><li>- Illegality; and</li><li>- Cross-default on the Sun &amp; Moon mortgage loan documents</li></ul>



### Equity JV Investment

Fresh Equity	All additional equity injections required for the operations, financing obligations and development of CdIR and RdIR, as required under the most recent and approved BP will be funded by LBREP III (59.375%), LBHI (35.625%) and Atemi (5.00%). All fresh equity, Preferred Rate of Return and Exit Fee will be preferred to the existing equity.
Failure to fund	Loan by non-defaulting partner to project at 35% annual compound in preference to the preferred equity After 6 months running option to convert to equity two times outstanding loan + accrued interest against lower of book or market
Preferred Rate of Return	All Fresh Equity commands a preferred annual rate of return of 25%, payable from available cash distributions (i.e. after operations, capital investments, management fees, sales fees and loan servicing), before any payments to the existing equity are made. Any unpaid return annually may accrue until final exit, however shall be repaid as proceeds are available.
Exit Fee	Upon final exit of the transaction, proceeds shall be used firstly to repay any outstanding balance of the Fresh Equity plus a return on the Fresh Equity, which shall result in the greater of i). an IRR on the total investment of Fresh Equity of 25%; or ii). a total a minimum multiple of capital on the Fresh Equity of 1.75x being reached, all calculated on a pre-tax basis.
Waterfall	For the avoidance of doubt all monies due to the equityholders will be firstly used to repay the Preferred rate of return, then the Fresh Equity, then the Exit Fee and then the original equity.
Hedging	Shareholders to work towards agreeing a term out or restructure of the hedges with LBSF. Any settlement or restructuring of the hedging is to require both LBREP III and LBHI consent. The current preferred option would be to look to agree to LBSF maintaining the hedging, rather than funding a termination premium. The current second option would be to negotiate LBSF providing funding for the termination premium and third option would be to pay for the termination premium in cash. Any termination payment to LBSF which is required to be funded pursuant to the third option will be funded as preferred equity by

	LBREP III, LBHI and Atemi in their respective funding percentages.
Villa des Dames (Block 21) and Luxco equity "true-up"	<p>Once the initial investment of both partners of Acquisition Co (necessary to purchase the drawn Acquisition Facility as described on page 1) has been irrevocably repaid in full, LBHI will invest in the Equity JV an additional amount equal to (1) €3.28mm<sup>1</sup> (the "True-Up Payment") multiplied by (2) 1.15/365 multiplied by the number of days which have elapsed from the date of the closing of the restructuring until the date of the True-Up Payment is made and divided by (3) one minus the percentage of shareholding held (directly or indirectly) by LBHI.</p> <p>As from the date the True-Up payment is made the cash and the cash equivalents, which are in the Equity JV (in the region of €3.8mm) and S&amp;M 1, 2, 3, 4, 5 and 6 (in the region of €3.5mm) as at the restructuring date together with the True-Up Payment will be deemed to be preferred equity (funded 62.5% by LBREP and 37.5% by LBHI), which is preferred to the equity currently existing in the same way as all other Fresh equity.</p>

<b>Management</b>	
Day to day management	Atemi Méditerranée, Atemi Immo SAS are to be the Asset Manager as determined by the Asset Management Agreement. Error in the Asset Management Agreements in respect of the fee allocations between CdIR and RdIR (if agreed by LBHI) to be rectified before close. Any other changes to the Asset Manager or Asset Management Agreement will require LBREP III and LBHI consent.
Retail expert	The JV between LBREP III and LBHI will pay Atemi for one additional management team member with relevant retail experience, to be agreed upon between LBREP III and LBHI, at a cost not to exceed €300,000 per annum,
Residential disposals	Atemi Immo will receive a sales fee of 50 bps on all gross sales proceeds received on sales in RdIR
<b>Governance</b>	
The current JVA agreement in place between LBREP III and LBHI will stay in place, but will be amended as per previous conversations to include but not limited to LBHI veto rights over any new or amendment to, contracts with any related parties.	

<sup>1</sup> Amount is approximate and will be verified in the closing statement

Drawing on Capex Mortgage Financing	Résidence de la République will not be authorized to draw on the still available capex mortgage financing unless the level of pre-sale of the relevant residential block (referred to in clause 3.1.3(b)(i)(1) of the R2 Mortgage Loan Agreement) reaches 40% without LBREP III + LBHI approval.
Business plan	LBREP III + LBHI approval; Business New business plan to be approved. Budgets to be approved annually.  For the avoidance of doubt the business plan will include an agreed pre sales hurdle before construction.
Changes to the BP < 5% of costs or sales (costs and sales to be calculated on a block by block basis)	LBREP III
Changes to the BP > 5% of costs or sales (costs and sales to be calculated on a block by block basis)	LBREP III + LBHI approval
	Amendments to be agreed acting reasonably failing which prior business plan shall govern.
Major decisions, as described in JVA	LBREP III + LBHI approval
The current shareholders' agreements relating to the French companies will stay in place, but will be amended to take into account the terms of the new transaction.	
<p>Operating costs:</p> <ul style="list-style-type: none"> <li>- LBREP to manage administration of LBREP III Sun &amp; Moon S.a.r.l (cost to be borne LBREP 62.5%, LBHI 37.5%). Administration cost per annum to be in line with market rates (including provision of full substance (office, employee etc)) and agreed by both partners. All other operating costs to be borne LBREP 62.5%, LBHI 37.5%</li> <li>- LBREP to manage administration of S&amp;M 1, 2, 3, 4, 5, 6 for a market rate admin fee</li> </ul>	



